EXHIBIT 2

STATE PREVAILING WAGE RATES

SPECIAL PROVISIONS

WAGE RATES

The prevailing rate of wages to be paid to all workmen, laborers, or mechanics employed in the performance of any part of this Contract shall be in accordance with the provisions of Revised Code of Washington (RCW) 39.12. The rules and regulations of the Washington State Department of Labor and Industries (L & I) and the schedule of prevailing wage rates for the locality or localities where this Contract will be performed, as determined by the L & I Industrial Statistician, are by reference made a part of this Contract as though fully set forth herein.

If employing labor in a class not listed in the Contract, the Contractor shall request a determination of the correct wage rate for that class and locality from the L & I Industrial Statistician. The Contractor shall provide a copy of these determinations to Washington State Ferries.

Since the Contractor will be held responsible for paying the prevailing wages, not less than the hourly minimum wage, it is imperative that all bidders familiarize themselves with the current wage rates before submitting bids based on these specifications.

In case any dispute arises as to the prevailing wage rates for work of a similar nature and such dispute cannot be adjusted by the parties in interest, including labor and management representatives, the matter shall be referred for arbitration to the Director of the Department of Labor and Industries of the State of Washington and his decision therein shall be final and binding on all parties involved in the dispute as provided by RCW 39.12.060 as amended.

Exhibit 2